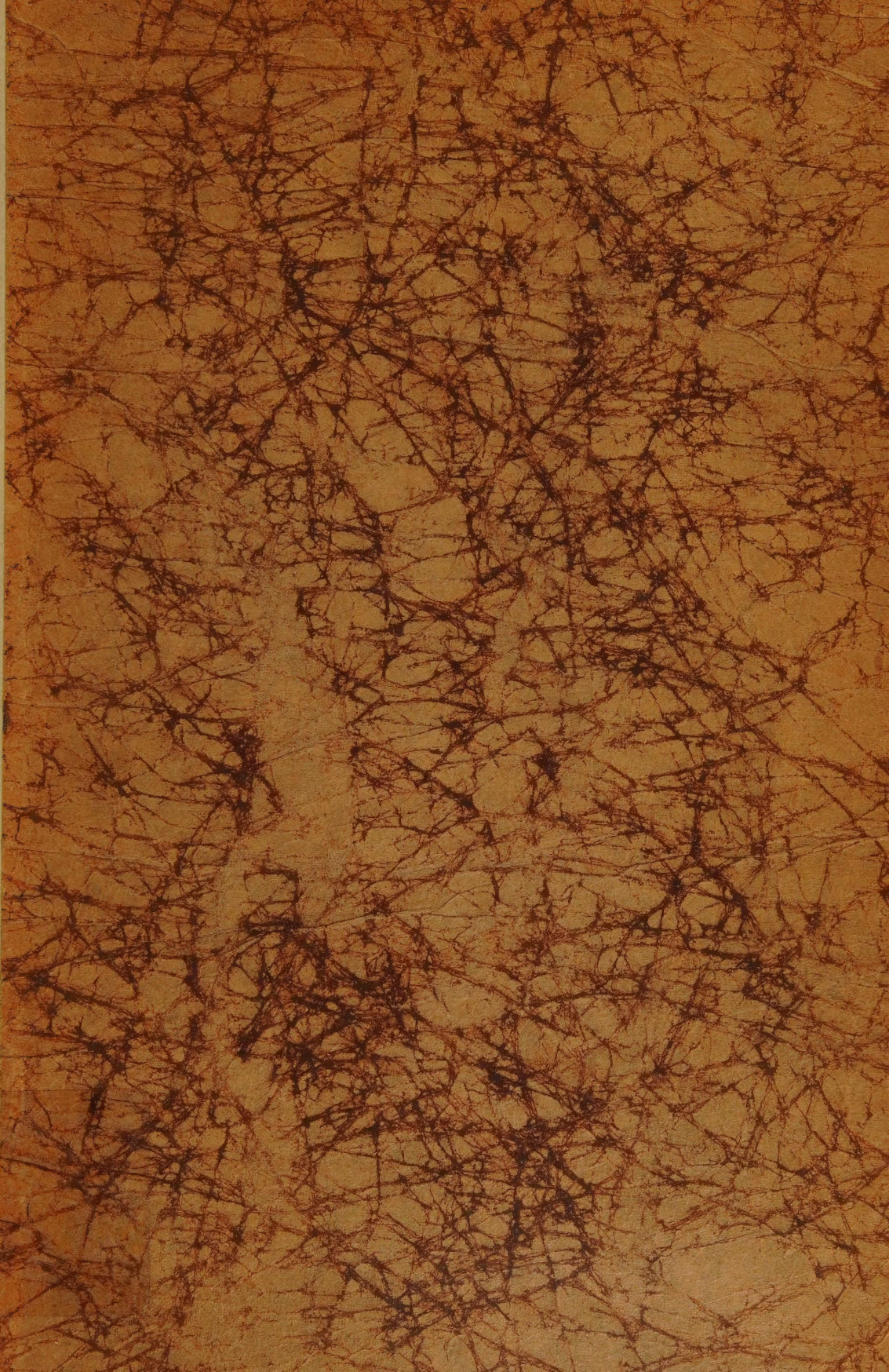




Roy W. Cloude



SAN FRANCISCO

BENICIA

LA FAYETTE
MARTINEZ

MT. DIABLO

Overland Trail

MAP of
SAN FRANCISCO

and Vicinity
Depicting the Waterways
Mountains, Mining Areas and
Overland Trails in the year

1858

SOUTH

NORTH

MARYSVILLE

SACRAMENTO

SUTTERVILLE

Overland Trail

Sacramento River

Mokelumne River

Overland Trail

- o Rich Bar
- o Big Bar
- o Wisconsin Bar
- o Michigan Bar
- o Cook's Bar

Calaveras River

STOCKTON

San Joaquin River

French Camp

Gold Spring

Knights Ferry

Stanislaus River

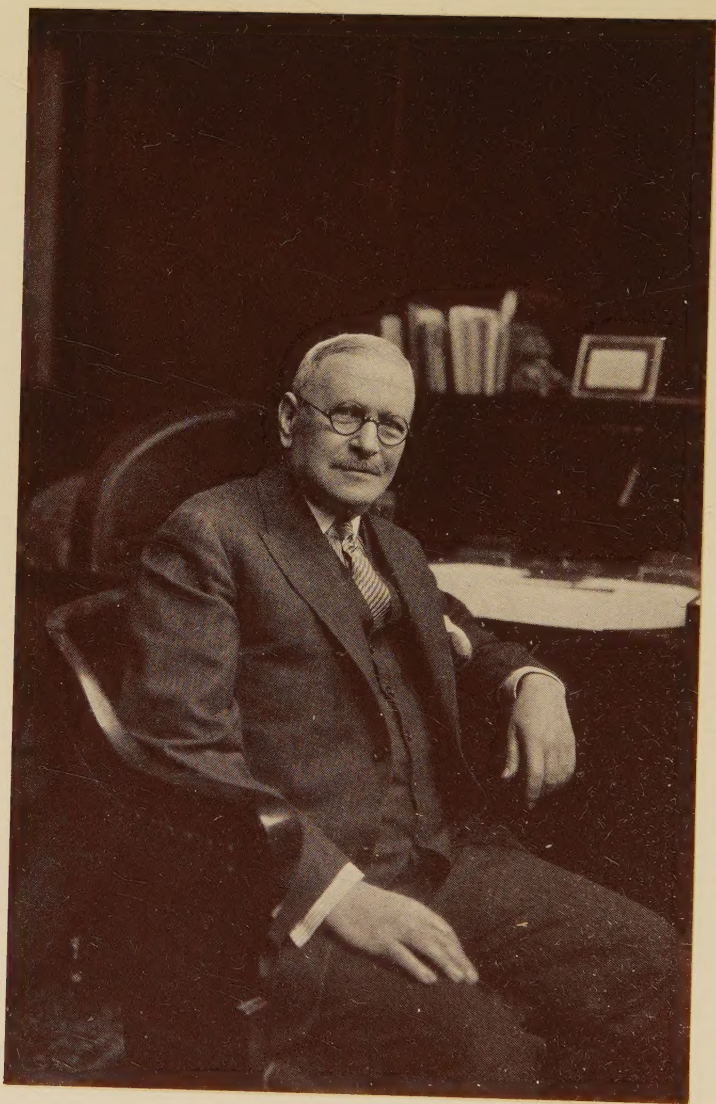


EAST



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THE EMPIRE OF
THE GOLDEN GATE



CHARLES SUTRO

THE EMPIRE OF THE GOLDEN GATE

1858-1928

*Prepared for SUTRO & CO. at the
moment of their
Seventieth Year of Activity*

By

LOUIS H. CAHEN

And

EDWARD I. FITZPATICK

Illustrated by Katheryn Lyon

SAN FRANCISCO
H. S. CROCKER COMPANY, Inc.

1928

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TO THE
PIONEERS
OF A STURDY YESTERDAY
PATHFINDERS, TOILERS, WARRIORS
AND BUILDERS OF A STATE
TO THEM, TO THEIR FORBEARS
AND TO THEIR DESCENDANTS
THIS VOLUME
IS REVERENTLY
DEDICATED



PREFACE

SAN FRANCISCO! TO RECORD HER epic legend is to invade the province of a gentler muse than history, but to love her is the privilege of mankind. Through her veins, to swell the tide of that great pulsing heart, there flows the romance of a hundred lands.

FAVORED OF THE GODS—NOURISHED by them in some more softened mood. A village, a city, and—a heap of ashes. Reborn and splendidly transfigured! Perhaps her sons may be excused their pride.

IN THE LATTER SEVENTY YEARS OF that story, Sutro & Co. have played a certain role. The joys and sorrows of their civic mother have been to them no secret. They have reveled with her in youth's abandon, they have grieved with her when stricken in maturity, and with her they have stood in resurrection.

IT IS AT THE MILESTONE OF THIS seventieth year that they, both as witnesses and participants, pause swiftly to review the gaiety and pathos, the comedy and sorrow, which in that span have passed before their doors.

SUTRO & CO.

INTRODUCTION

THERE stands today on the Peninsula in an area seven miles wide and nine miles long, a city of almost a million people. It is built upon the greatest bay ever created by the forces of Nature. Into this bay pour the waters of two mighty rivers that have drained through an agricultural State that produces a greater diversity together with a finer quality of products than probably any other agricultural region. It is a city originally founded to meet the needs of men of toil who wrested from the bosom of the earth the treasures that for centuries had been sought by the fortune hunters of history, and exceeded the desires or even the conceptions of any of those fabled characters.

Here is the natural market place of Western America, constantly growing, ever building, with a background of natural wealth and a present of great developing wealth, supporting a financial market that in America is second only to the nation's industrial capital.

Here on the shores of San Francisco Bay, with a million and a half of people within a radius of twenty miles, with a back country capable of receiving and supporting a population equal to many European countries, stands the Empire of the Golden Gate and, at its center, the city of San Francisco.

THE AUTHORS

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THE EMPIRE OF THE GOLDEN GATE

I. I S O L A T I O N

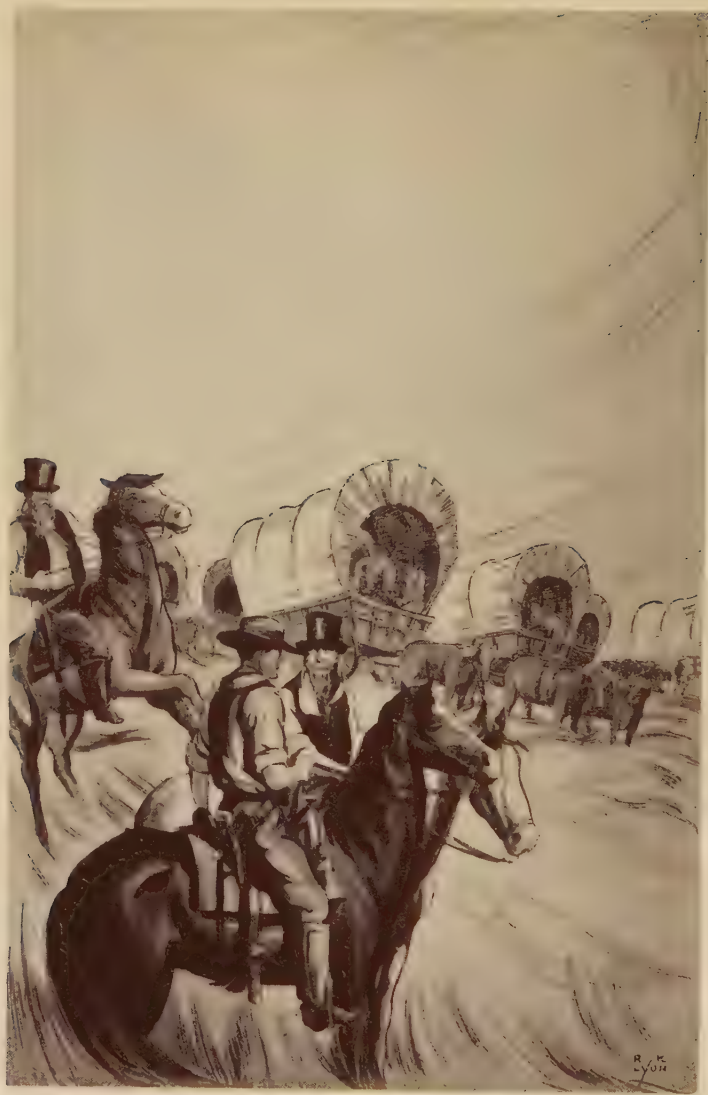
A FEW sand dunes are basking in the scarlet rays of the setting sun. Upon them can be seen the lazy, rambling farmhouses whose windows, shining like the shields of ancient warriors, reflect those same golden-red rays into the expanse of the quiet blue ocean. Somewhat to the eastward, swirling clouds of dust proclaim the passage of a pack train winding tediously toward the village. The town itself is scattered. A few tread leisurely their hacienda paths. There is the tolling of bells and there is the quiet lapping of waves on a beach little used except by fishermen. Some islands and an occasional sailboat may be seen on the waters of the bay, blue here and murky there. There is little or no activity. Hardly a place of consequence this Spanish Yerba Buena, but recently rechristened San Francisco. Near the water front a few stores and a market place are preparing for the night. Here are the newcomers who have straggled to this settlement within a

THE EMPIRE OF THE GOLDEN GATE
brief two years and established themselves in the
few squares near Montgomery, Kearny, Jackson,
Washington, Clay and Sacramento streets.

Suddenly there is the whisper of a breeze. It
springs from nowhere; still in this little town it
stings the general lethargy to life, and on its wings
is borne another sound. It is the year 1848. The
little town seems to try to refrain from lifting its
head, but ever the portentous sound comes nearer.
Now it is almost intelligible. Eagerly, fearfully,
the village lends its ear to catch the one roaring
word. In thunderous tumult from the hills the
clarion is heard. It has risen to a blast triumphant.
The world springs into action—the trumpeting
roar is constant now—it will not subside for many
long years to come. It is the very breath of life
itself. The roar is—"Gold!"

II. THE CAULDRON

SIX months pass. San Francisco pulses with an unaccustomed life. Its hitherto quiet streets re-echo to the revelry of strangers. The flares of countless torches usurp its nighttime shadows and light the pageant of an endless masquerade. Drowsy inns give place to the gaudy blandishments of frontier-town hotels, taverns yield to the boisterousness of saloons, and through it all, dominating it all, there moves the motley throng of pioneers. Scholars, adventurers, the villainous and the righteous, gamblers, captains of industry and princes of romance, the great, the once great, and the great who are yet to be, all are here, their indentities lost, the successes and failures of their pasts made tawdry by the splendor of their dreams. Their pasts have been abandoned with the ships that brought them. Deserted, disconsolate, those ships; a forlorn wilderness of ropes, intermingled masts, and tangled spars they stand scarcely moored at the water front, so eager are their crews to fly to the fabled hills. Robust, ambitious, the little village grows, expanding hungrily its borders, ever devouring its hills, extending its rough but hearty welcome to every stranger, its



THE PIONEERS

THE CAULDRON

ethics simple and its manners bluff—colorful, picturesque city by the “Gate.”

The prospectors of that stirring scene were but the vanguard of a mighty westward surge. They came to exploit the storied wealth of California's hills and to sift it from the sands that floored her streams. Closely following them came a different group. These were merchants, artisans, tradesmen, men whose hopes for the future rested rather upon their ability to serve the needs of a growing city and upon its future growth than upon the vagrant favors of a fickle chance. Different men—yes—more provident; less credulous, more plodding; less spectacular in their strides, but their strokes more often sure. With the group who preceded them they had two traits in common—limitless energy and hearts devoid of fear. Quietly they went about their several tasks, building up their businesses, and by their efforts gradually reducing the dependence of the community upon individual ingenuity and homely inventiveness.

By daring and persistent steps, new fields of mercantile endeavor were ever opened by them and older ones enlarged. Increasing demands seemed to conjure from nowhere the things for which

THE EMPIRE OF THE GOLDEN GATE

they clamored. Business prospered; with it came competition, bringing about the regular orderly gravitation of common enterprise toward a common center. As a result there came to be established on Montgomery Street, on the very site of that earlier market place, a tiny business district peopled by an energetic few whose wealth and intelligence were in turn directed to every project wherein these might be advantageously used. Here was the nucleus of a great financial future. In such an humble seedling we may envisage the stately tree.

Financial transactions, simple at first, limited to advances, speculative loans, and the like, on all the manifold schemes that peopled with promises the imaginations of the prospectors, became, as they harvested their rewards, more complex and more broadly ramified. Finance began to provide the sinews for more extensive enterprise. Reports of new developments, of increased sales, purchases, and exchanges, became the daily order.

Of especial profit at this time and centering upon itself the greater public interest was the business of trading in government securities, gold, currency, and mining interests.

THE CAULDRON

Peering back down the vista of the years that separate San Francisco of today from its rude but colorful beginnings, we may discern in those windows and over those doorways of that earlier Montgomery Street a name or two that still sound familiar to the ear of the adult city. Such is the name of Sutro. Its bearers, Charles and Gustav, two brothers with a background of successful experience as importers and exporters in a little English settlement to the north of the United States, arrived in the year 1858 in San Francisco, and opened on Montgomery Street, *within a block of its present location*, a place of business, and over its doorway suspended the simple legend "Sutro & Co." Within that single block, identified with it in the minds of several generations, that legend has remained through seventy years, a monument to the vision and courage of its founders.

Trading at the time was limited in its nature, a condition directly traceable to the psychology of the pioneer group upon whom it must have depended for its support. The members of that group were single-purposed; their purpose was "gold." For it they had braved alike the perils of the wilderness and the tempests of the sea. It



EARLY OFFICES OF SUTRO & Co.

THE CAULDRON

provided conversation for their days and troubled their nights with dreams. To them gold was "the be-all and the end-all" of their existence. It was the genius of their ambition and the cardinal motive of their sacrifice. What interest, then, to such as they were the movements in the few government securities that were on the market of the day? They were of but secondary, even casual interest, and attention was focused on the precious metal, coined or in native dust. Each day it was pouring in staggering quantities from the plundered vaults of the Sierras. Up to the Civil War more than \$785,000,000 had been produced. Its streams indeed seemed endless. It was as if Nature, wearied of her burden, were, in the ecstasy of release, bent on squandering her treasures on the greedy moles who had brought to her—deliverance.

With, close at hand, so prodigal a supply of wealth California has always been comparatively unaffected by the occasional disorders and stringencies in the various money markets of the country.

Little by little the popular prejudice favoring "dust" was overcome. It was a common sight to

THE EMPIRE OF THE GOLDEN GATE

find standing before the doors of Sutro & Co. a picturesque line of jovial men and women, voluntary exiles of a hundred lands, exchanging comments or merry banter as they awaited the opening of the doors to weigh their "dust" for coin.

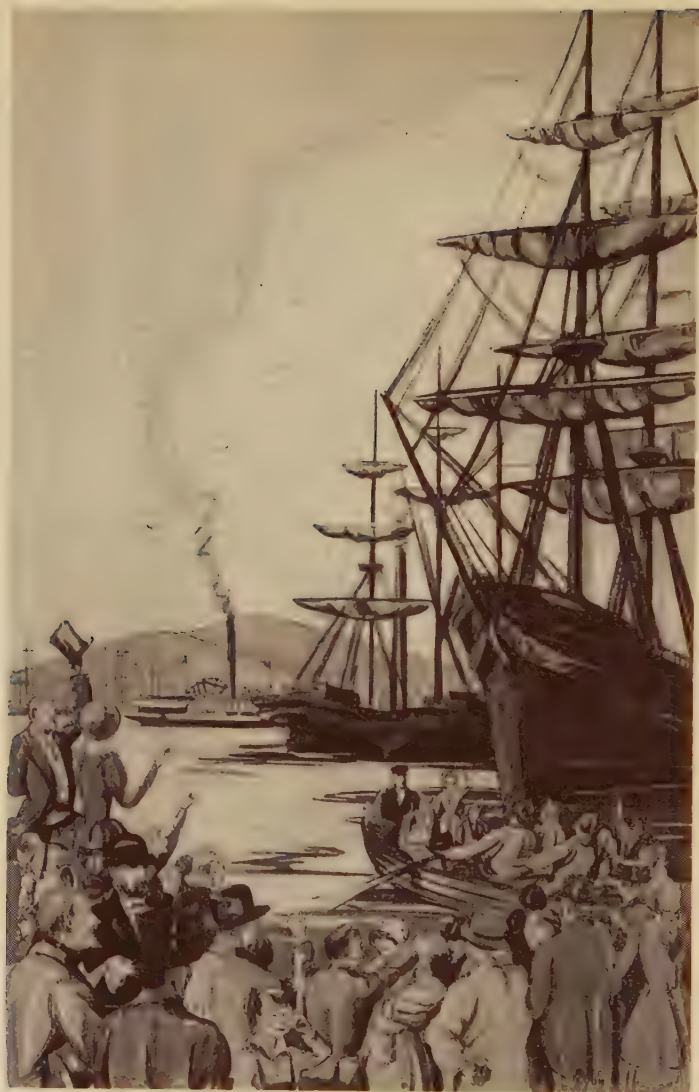
The old scales upon which unnumbered ounces of "dust" were weighed, though they have long since outlived their usefulness, still retain something of the glamour that characterized their age. They may be seen in the de Young Museum, where they now repose, the gift of Sutro & Co. to the City of San Francisco.

Since the early fifties, the livening pace of business had brought about a condition that was peculiar to this community. Because of the tremendous distance between San Francisco and important parts of the outside world, communication and transportation were limited. To best meet the exigencies of these limitations, business brought about the methods of payment and delivery that were dependent upon what was called "Steamer Day." Upon this day, the first and the sixteenth of each month, were the scheduled arrivals and sailings of important vessels transporting merchandise and mail. It was, therefore, on Steamer

THE CAULDRON

Days that goods and orders were received and shipped and that payments were received and disbursements made. It became practicable for almost every kind of business to follow along these lines, so that observance of the day became an honored custom. Many of these days were gala events. What vivid pictures and scenes of bustle, of jubilation and disappointment, Steamer Day conjures before the fancy—colorful, youthful San Francisco! As the fame of the city spread abroad and as its population and needs proportionately increased, the arrivals and departures of vessels in its harbors occurred in ever-increasing numbers, their schedules more and more precise; but Steamer Day had become fixed in business custom, and so strongly and persistently that many firms in the early part of this century still recognized the first and the sixteenth as accepted times for payment and clearing of accounts. Sutro & Co. recall these scenes with a pardonable pride, for of all the many firms which in those adventurous days engaged in the trading of shares, securities, and metals, they alone since 1858 have escaped the scythe of time. Of them all they are the solitary survivors.

The problems faced by the infant city were not



STEAMER DAY

THE CAULDRON

all mercantile, however. Its transition from an isolated community to the state of a world metropolis was racked with growing pains of a different and more vital order. In the decade which we are now reviewing, 1850 to 1860, there had come upon San Francisco a period of crime and violence. All classes of people, rich and poor, honest and dishonest, had been lured thither by the prospects of vast reward for their efforts in exploiting the mountains and streams of California. Daily great good fortune was being experienced by some, and abysmal failure was the bitter fate of others. Individuals reacted according to their respective natures. From cupidity to envy was but a single step, and open outlawry lurked around the corner. Crime became so rampant, and so inadequate and halting were the means available to the city for its restraint, that openly it stalked the streets, issuing in a veritable reign of terror. Finally the law-abiding element, dreading the ever-growing menace, banded together and under the name of Vigilantes undertook its suppression by force.

To themselves, in their self-appointed roles as protectors of the peace, they arrogated all the powers of local law enforcement; they ignored

THE EMPIRE OF THE GOLDEN GATE

the rights of helpless elective public officers and usurped those rights to their own uses. The "Committee" tried, deported, and in many instances even hanged those whom they adjudged criminally guilty. The city to its present day still reveals grim and significant mementos of their crude but salutary justice. To this day in the graveyard of the old Mission Dolores there remains a plot marked by a little cross upon which is the simple inscription "Casey." Despite any legal safeguards to the contrary, Casey was hanged for a criminal offense from the belfry of old "Fort Gunnybags," the Vigilantes' meeting place.

The weight of public opinion favored the efforts of the Committee. Those who in principle opposed them were enjoined to silence by their satisfaction in the comforting results. They were not always just—these Vigilantes. Into their organization, and guiding the dreadful blade of their swift descending vengeance, there sometimes crept the shadow of personal enmities and private envies. For the most part, however, the efforts of the Committee were properly directed, though perhaps with too unbending a severity. They rid the city of crime, suppressed political corruption, and

THE CAULDRON

reorganized the local government. Finally, when order was restored to the place whence it had been driven, they disbanded, leaving behind them, however, memories of a nature destined through many succeeding years to restrain the criminal from his outlawry and to sober the impetuous from indulgence.

Such outbreaks as required so drastic a method of prosecution did not hinder to any extent the steady progress of San Francisco's evolution. In this same decade there were founded businesses and projects of tremendous importance, many of which have become the rich inheritance of the present day, serving the interests of a community that has overleaped the most sanguine fancies of its headlong bustling youth.

The California Navigation Company was establishing the steamship lines that were to bind more closely the city to the outer world. A similar function was being performed by the railroad companies which were linking coast to coast and boundary to boundary in an ever more complex web of glistening steel. Business intercourse received a tremendous impetus by the expansions of the telegraph companies and the gradual perfec-

THE EMPIRE OF THE GOLDEN GATE

tion of their service. Water and power companies were created and began to render services that became ever more adequate and efficient until they finally achieved the high excellence that our city so generally enjoys today. The mining camp had grown; its citizens observed a new cult; the god of chance was tottering and in his place appeared twin deities, the gods of finance and of industry.

The following decade provided the stage for a still more imposing act in the pageant of development. Businesses and projects which in preceding years had survived the perils and troubles that beset their infancy, now strengthened and spread out. Their success was the inspiration for newer endeavors, and what was true of ordinary business was equally true of finance. The timid took heart and the bold found confirmation for their optimism. Many new firms were established; trade was vigorous; and on the 11th of September, 1862, the street brokers who transacted their affairs from one office to another organized an institution known as the San Francisco Stock and Exchange Board dealing in mining shares. It comprised forty members, many of whose names have outlived the limited mortality of their bearers, upon whose achieve-

THE CAULDRON

ments has been erected the tremendous structure of our financial commonwealth.

Development sped forward, and in a little more than a month the San Francisco *Bulletin*, an enterprising daily, published the first list of quotations to appear in the city's newspapers. The records of the early journals tell us with what eagerness this feature page was sought, a fact confirmed by the haste with which rival newspapers of the time incorporated into their sheets similar items of interest. Within one year's time business had so enlivened and public interest had been so attracted to it that two new mining exchanges were formed, the San Francisco Board of Brokers in April and the Pacific Board of Brokers in July, both in the year 1863. At that early day, San Francisco boasted three exchanges with a total membership of one hundred and sixty-three.

Considering the city's youth, the financial activity was astounding. The Montgomery Street offices dealt principally in mining shares. Great fortunes were made in a day and lost on the morrow, and some were made again. Trade in Mexican dollars and silver became important, as well as that in city scrip, state and county bonds and in United States

THE EMPIRE OF THE GOLDEN GATE
currency. A limited trading in the stocks of public-service corporations was carried on either privately or informally. Trading in mining shares was different from that which is known today. Mining claims extended along ledges of quartz ore, and what today would be purchased as stock holdings in a mining company were, in those days, bought as feet shares in these ledges.

The fabulous prices that obtained, the turbulent scenes of activity that accompanied purchase sales and market speculations are practically unequaled at any other time in the history of the city's financial business. Even more impressive are the statistics compiled in 1865 indicating the city's enormous strides in the preceding fifteen-year period. They showed the importation that year through San Francisco of three million pounds of tea, the passage through its warehouses of twenty million pounds of wheat; and, to point to the growth of the city's industries, they recorded the notable fact that its textile mills hummed constantly to the unceasing whirl of thirteen thousand spindles.

A perusal of the foregoing statistics compiled during the dark days of '65 must forcefully impress even the casual observer with the marked

THE CAULDRON

degree of isolation from the rest of the country that characterized San Francisco at that time. It is interesting to note in passing that even the Civil War was so remote that, while at times feeling ran high and occasional demonstrations were held, the active participation of San Francisco for the most part was precluded by its geographic isolation.

The great caldron seethed and boiled. Each new element of activity but increased the general ferment. Everything seemed to respond to the imperious summons of ambition and energy applied. Real-estate values reflected the common upward surge and later soared to heights that must forever stand as a permanent tribute to the faith of the pioneer in the future of his adopted city. Rentals for business property rivaled those obtaining within the last ten years of the present great metropolis. The real-estate sales for the year 1869 reached the startling total of thirty millions of dollars, and in this connection it is to be remembered that the thriving community of the day occupied only a small part of its present area. It was centered in what are known today as the down-town and Mission districts. With the gradual extension of street-car facilities, just then introduced, the city began

THE EMPIRE OF THE GOLDEN GATE

its expansion. Market Street, even at that period recognized as the main artery of the future city, attracted to itself a sturdily increasing wealth of busy shops. The promise made for the future of that thoroughfare was confirmed by the removal from more remote points and the establishment at the Embarcadero, its water-front terminus, of the ferry slips of transbay service. In the year 1879, the ferryboat *El Capitan* was transporting daily more than five thousand persons between the eastern shores of the bay and the Market Street terminus.

It is interesting to note that the number of commuters from the East Bay has swelled to over 60,000 a day. The growth of the East Bay communities, particularly the city of Oakland, has been gratifying both to their own worthy citizens and to the citizens of their sister community, San Francisco.

The seventies were heirs to the pioneering efforts of the preceding years. The auguries were indeed propitious, and rich was their fulfillment. The established brokerage houses entered upon an era of great prosperity, and around them sprang into existence a mushroom growth of newer finan-

THE CAULDRON

cial concerns. Trading remained, as in its former days, typical of the isolated position of the community. The reasons were threefold: Only recently had means of communication establishing contact with the rest of the world been introduced. The populace clung stubbornly to the gold standard, adherence to which had made both themselves and their community independent of the Eastern money markets so recently troubled by the depression following the Civil War. Trade in the city's financial district was still dominated by the influence closest to its heart, the Western mining shares.

It is not to be understood, however, that gold and its allied interests monopolized the traders' attention. Utilities, water power, telegraph stock and that of steamship companies, as well as city scrip and government securities, added their proportion to the general current activity. They had not yet entered upon the era of promise that destiny had prepared for them.

We have previously remarked the independence of California and her indifference to monetary fluctuations elsewhere. The most striking instance of that indifference, climaxing and marking its



FIRST STREET CAR IN SAN FRANCISCO

THE CAULDRON

termination, was evidenced by her airy gesture of unconcern during the panic of 1873 to 1878, when the rest of the nation fell victim to a money depression that crippled finance and industry alike. California alone maintained practically the even tenor of her way, prospering and developing an oasis of promise in a desert of gloom. She stood, nevertheless, at a juncture of the ways; she stood glorious and triumphant at the end of the solitary trail which she had so splendidly traversed and at the point where that trail turned forever into the broader thoroughfare trod by her sister States. Communication, contact with the outer world so necessary to greater development, had finally reduced the bulwarks of her isolation and thenceforward would exact its proper toll. California must measure her pace to the strides of the parent country.

Eighteen seventy-five! Its memory, more recent than that of '49, almost shrouds that earlier year in eclipse. The humdrum of ceaseless expansion, now almost an accepted monotony of development, flames suddenly again in the gorgeous purple of romance. Again with stentorian voice, the heralds of fortune thunder another electrifying word.

THE EMPIRE OF THE GOLDEN GATE

This time it is "Bonanza!" The "Bonanza" has been struck! The names of Flood, Fair, O'Brien, Mackey are uttered excitedly by myriad tongues. Other names, those of Sharon and "Lucky" Baldwin, figure prominently in the events of the hour.

The discovery and exploitation of that incalculable treasure lode fanned once more to flame the pioneer's passion for adventure. Every instinct of his nature knew again the thrill of the hunt. Silver for a time dominated his existence—but only for a time. The city had too far advanced, had too greatly broadened, to be enslaved to any one enthusiasm. It still bent faithfully on its way to achieve its destiny—the goal that had been appointed for it by the energy and enterprise of its founders—the goal whose title is "Metropolis."

The increasingly complex development produced a number of distinct changes in the methods of doing business in various lines of endeavor. Probably among the most noteworthy of these was the result of the growing interest in securities quite different from the mining shares that had produced such colorful events. Brokers on Montgomery Street who were building up an important trade in securities as it is practiced today, found the time

THE CAULDRON

propitious to establish and organize a trading exchange.

In 1882 the San Francisco Stock and Bond Exchange was formed, in which Charles and Gustav Sutro, the founders of Sutro & Co., were charter members. It is this organization, with its phenomenal development, that has become the largest securities market, outside of the city of New York, in the United States, and is today known as the San Francisco Stock Exchange. It is undoubtedly typical of the growth of the financial stature of the city of San Francisco that seats on the San Francisco Stock Exchange for which the founders paid \$50 in 1882 are now demanding a sum approximating \$200,000.

More and more closely was the city bound to the whole nation. Its civic and its financial fibres became attuned to those of Eastern states, and the influences that affected the one found a swift, responsive sympathy in the other. Political events, changes of administration at Washington, were reflected in the now sensitive nerves of the city's business interests. San Francisco business had steadied at last to the normal state that obtained in other centers. Its turbulence had been quelled;

THE EMPIRE OF THE GOLDEN GATE
quietly, unruffled, it swept along the channels of
progressive evolution.

The following years, although crowded with events of importance to the city, lacked in major part those frequent splashes of vivid coloring which had so greatly characterized its pioneer stages. It had passed through the fire of transition. In 1898, when the nation called upon the gallantry of her sons to rise in defense of a hallowed principle, San Francisco offered generously its sacrifice at the nation's altar. Wildly again, but with a different wildness—one that was not restricted to localities but was shared with numberless other communities—the streets of the city echoed and re-echoed to the thrill and pride of country as along its thoroughfares there rode and marched to war the flower of the nation. The cheering citizens standing on Market Street and then on Van Ness Avenue saw stately coaches bearing the nation's chief executive, William McKinley, and later his dynamic successor, Theodore Roosevelt. San Francisco's national prominence was ever attaining greater proportions.

The beginning of the twentieth century was marked by the opening of the famous Midwinter

THE CAULDRON

Fair. Facing the Far East on the Pacific Ocean, San Francisco offered the nation an attraction that drew tourists from far and wide. There they found extolled the beauties of California and saw the winter shores of the Golden Gate bathed in glorious sunlight. The Midwinter Fair did much toward spreading the fame of San Francisco.

The troubles that afflicted the community then were the common disorders that are ever and in all places the product of envy and of greed. San Francisco was a tremendously wealthy city. Its people were prosperous; it had been prodigal in its reward of labor and ability; but there still remained, and sometimes in high places, those who sought by trickery and device to reap the harvest sowed by the toil of others. The local political administration was shadowed by their unscrupulous and often flagrantly dishonest methods. Not even such lawless elements, however, could arrest the general development of the city nor detract to any great extent from the glory it had earned. The pettiness of office holders could not dim the splendor of its achievement nor smother in its hateful shades the promise of the future.

San Francisco at the dawn of the twentieth cen-

THE EMPIRE OF THE GOLDEN GATE

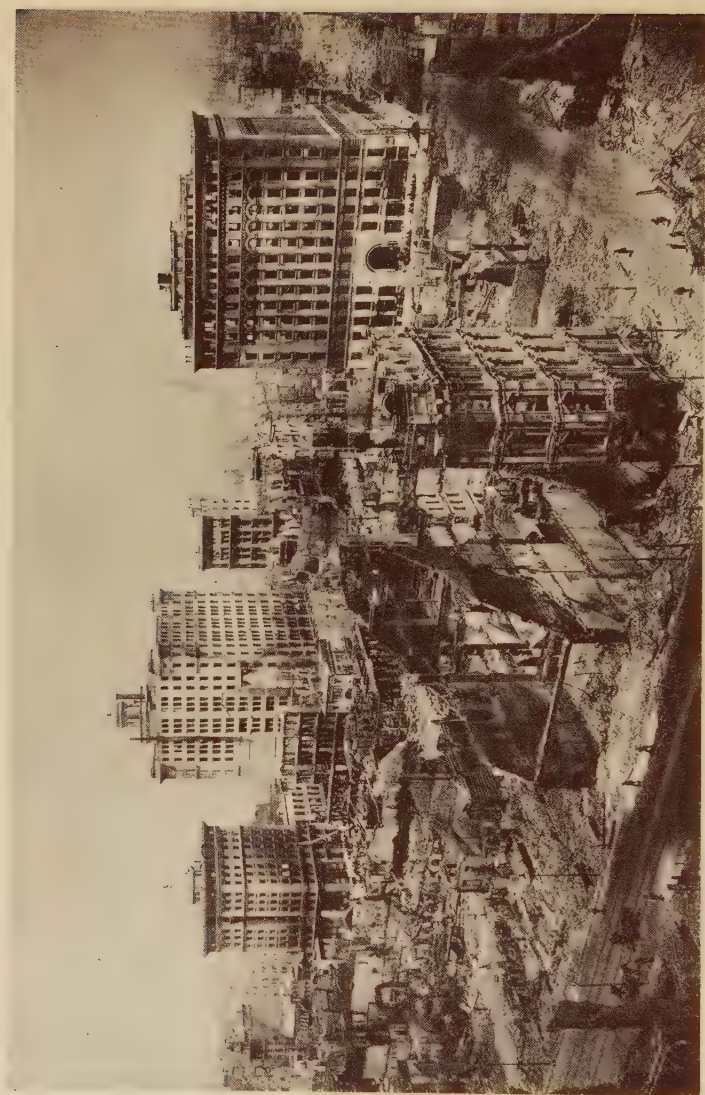
tury stood without a peer at the western portal of the nation. A great city, still thoroughly cosmopolitan, she might proudly have reviewed her treasures: mounting bank clearings, swelling deposits, thriving and growing populace, and beyond all this the fertile abundance of the inner land. Contentedly the city sits enshrined upon her hills envisaging the bustle of her trade and the comforting glow of countless happy firesides; her harbor swarms with the ships of many lands, ships whose richly laden hulls plowed ever-closing furrows through the golden channel that opens on the sea.

* * * * *

San Francisco still retains her color. It is the evening and the year is 1906. Busy cable cars are trundling down the hills and disgorging their crowds on the same streets which have so prominently figured in the city's earlier history. The carefree jostling crowds window-shopping on Kearny Street turn to their respective goals. Some of them turn off to places of amusement near Portsmouth Square. Caruso and Fremstadt are singing "Carmen" to the brilliant audience that so often fills the Opera House. Crowds disappear through the doors of San Francisco's famous res-

THE CAULDRON

taurants, and convivial groups are gathering informally. The mysteries of Chinatown, deep and eerie, offer dreams to participants and startling undreamed-of vistas to tourists. The twinkling windows of a big city comfortably at home completes a picture of contentment and attainment. It is the night of April 17, 1906.



SAN FRANCISCO, 1906

III. DESTRUCTION

SPRINGTIME in San Francisco! Darkness, for its brief allotted space, has wrapped the city in a slumbrous envelope. Gradually now, night's somber mantle is fringed at its eastern edge with a soft-hued opalescence. The distant coastal ridges are rose-and-silver tipped. It is dawn.

It is the eighteenth of April, nineteen hundred and six. The city, as becomes the hour, is still quiet; peacefully it lies, that graceful city whose subtle magic has wooed a garden from the wastelands and charmed its desert hills to bustling life; that energetic city which, envious of the bay's insistent sallies, has shoved the waters back, and on their sands has erected the towering structures of its hive.

Inscrutably the gods look down upon the scene. They leer—they laugh—and on the heaving billows of that laughter is tossed to ruin the toil of many years. The Titans have wrenched a city from its moorings and toppled its citadels to the ground.

For nearly a minute on this ill-starred April morning, San Francisco has lurched and rocked in the convulsive grip of Fate.

THE EMPIRE OF THE GOLDEN GATE

Now, in the residential quarter, may be seen rising above the flurry of disaster the nebulous outlines of tiny puffs of smoke. Vagrant, inconsequential things—who hasn't often seen them? Unheeded, they writhe aloft and are quickly dissipated by the breeze. Somewhere in the ruins of a home there lies, mortally injured by a falling stone, the one man in all of San Francisco who understands those little wisps of smoke, who knows the awful furies that they herald. Unconscious there he lies, Dennis J. Sullivan, chief of the fire department, whose every waking moment has been devoted to the study and the combat of—a spark. Before he gasps his last, those puffs of smoke, no longer little, have spread and grown apace and a smoldering fire becomes a sweeping holocaust.

* * * * *

After three days, the dreary, careworn citizens, exhausted in all but their dauntless courage, once more return to shelter. Homes are put in order. The kitchens in the public streets, where they had been hastily and rudely improvised as compelled by law, are now dismantled and such stoves as they had boasted are restored to their proper places.

A hasty inventory shows that two-thirds of the

DESTRUCTION

city is but a heap of charred and smoking ruins. The entire business section is in ashes. Sturdy structures that survived the earthquake have fallen victims to the fury of the flames—all save one or two. At the corner of California and Montgomery streets, the Kohl Building alone, battle-scarred, intrepid, stands like a gaunt but faithful sentinel reviewing the carnage on the field. Next door and nestling in the shelter of that same solitary building the offices of Sutro & Co. are ready and open for business. By reason of this strange quirk of chance, this company is among the favored few banking institutions whose records, both since and before the fire, are still intact. It is the only brokerage house with definite, uninterrupted records of its business extending through seventy years.



SAN FRANCISCO, 1928

I V . R E B I R T H

LAID low, as though by some giant vandal hand, it seemed that the ordered destiny of a great city had ended at last in chaos, and yet—

Were this brief sketch to be extended, or its outlines to be swelled to the more pretentious proportions of a history, then at this place must have been written a chapter dedicated to the heroism of a stricken citizenry. Most of the pioneers had already passed beyond, but they had left in the veins and hearts of their descendants those same sturdy qualities which flourish best when cradled in adversity. The spirit of the fathers became the spirit of the sons, and the sons were true to the noble heritage of their blood. No pioneer ever faced with greater fortitude, nor overcame with greater expedition and success, such overwhelming difficulties. It was not necessary to draft into service the people of this city. They flew to their tasks with willingness, and from that willingness there was engendered an organization which might have moved mountains. At the head of that organized effort was a committee that assumed the crushing responsibilities of rehabilitation. Honored on that



ENTRANCE OF SUTRO & Co.

REBIRTH

Citizens Committee, appointed by the Mayor of the city, was Charles Sutro junior—now the senior member of Sutro & Co. To them San Francisco acknowledges a debt that she can only pay in the coin of eternal gratitude. Some of those who served on that committee have gone to the reward their virtues had reserved for them; others live on, revered and loved by every San Franciscan, symbols of the courage, faith, and industry that won from a waste of ashes a present-day metropolis.

The work of reconstruction involved more than the removal of structural debris and the erection of newer and sturdier buildings. There was another debris—the indirect product of catastrophe—which had likewise to be removed. Corruption, seeing its opportunity in the distractions of civic agony, swooped like a vulture upon the body politic. The foulness of local politics was equaled only by the speed with which it was suppressed by public prosecution. The government was literally cleaned out; and in the place of those who had been dethroned there were installed by the electors officials pledged to honesty, decency, and civic progress.

Building progressed with enormous strides.



SAN FRANCISCO'S FINANCIAL DISTRICT
Montgomery Street, looking toward Market Street from the Offices
of SUTRO & Co.

REBIRTH

Business was restored to its normal function and new financial districts were opened up. The banks and brokerage houses returned to Montgomery Street and California Street, sites of their former triumphs and expansions. The city met the challenge of the fates. To the "quake" it presented foundations more deeply laid and structures more robustly reared; to the fire it offered the defiance of walls of stone. The following years record an unbroken march of progress. Development in every field was food for the world's astonishment. Nowhere in history is there a story of a disaster so sweeping and a recovery so swift and in every way complete.

The year 1915 once again found San Francisco the cynosure of the world's attention. This time the city offered to the peoples of the earth an invitation to come and witness the greatest of international expositions. The Panama-Pacific International Exposition was spread like some exotic city along the northern edge of San Francisco where swell the waters of the Golden Gate. Despite the World War, which limited the active participation of many of the nations, nearly all were in some way beautifully represented. A

THE EMPIRE OF THE GOLDEN GATE memorial to the linking of two vast oceans, it remained a center of attraction to the world for nearly the full span of a year. From February to December, it prospered under the care of public-spirited San Franciscans, and it succeeded, even financially, to a degree never before equaled in exposition history.

The progress of the war, ever reaching out its horrid tentacles, each day drawing to itself new victims for its greeds and awful hates, was reflected in San Francisco in much the same way as in other great communities. Like the rest of the world, the city suffered; like the rest of the nation it suffered willingly, confident in its hopes, true to its faith in its destiny.

The close of the war was marked in the city by the depressions, reactions, and the final return to the normal channels of procedure which were the common experience of the world. Never, even for a moment, through all that period of darkness, did it lose sight of the stars by which its ultimate course was charted.

In beauty and in achievement its pathway never ceased to climb. In its visions it could follow the outlines of that pathway, ascending and ever still

REBIRTH

ascending until lost to sight among the vapors which forever veil the lofty fastnesses of years that are yet to be.

Now in this year 1928 San Francisco, resurrected and transfigured, having traversed her laborious but ever-hopeful way across a wilderness of desolation, having survived her test by fire, stands finally on that broad plateau from which she may see at last the ever-receding horizons of the future—the fruitful, sunny country of the promised land.



SAN FRANCISCO STOCK EXCHANGE

V. THE EMPIRE OF THE GOLDEN GATE

IN considering from a purely business standpoint the wealth, the background, and the future of the city of San Francisco, it should be remembered that no longer is a city regarded as an entity by itself, but rather as the focal point of what is known as a metropolitan area. In speaking of New York City one does not refer merely to the political district within its five boroughs. In speaking of San Francisco one should think of that great metropolitan area, within one hour's ride of the city itself, which contains the Santa Clara Valley, the East Bay communities, the fields that border on the shores of Marin, and the two great basins watered by the San Joaquin and Sacramento rivers. Here is the real Empire of the Golden Gate—here is a population of almost two million people—here is the greatest industrial, manufacturing, and business center of Western America.

In the fertile valleys of this Empire of the Golden Gate there was produced last year over \$800,000,000 in agricultural products, of which more than half was shipped to different parts of the country. These agricultural and dairy products



THE BOARD ROOM OF SUTRO & Co.

THE EMPIRE OF THE GOLDEN GATE

are unsurpassed in any other quarter of the globe. Huge commercial enterprises, public-service corporations, insurance companies, and nation-wide banking systems are making their headquarters in San Francisco in greater numbers every year. Imports and exports are on a par with those of the great communities of the Atlantic Coast. Five great transcontinental railroads terminate here; fifty-three steamship lines regularly go through the Golden Gate. In addition, a wealth of natural products is being produced in tremendous quantities, and on Montgomery Street the financial district still flourishes as it has for more than seventy years. The romance of Montgomery Street is part of the romance of the city itself. Through these many years the financial district has remained on this street and has grown.

Sutro & Co., with their ground floor offices today in the Financial Center Building at the corner of California and Montgomery streets, have participated in these seventy years of great achievement. Today Montgomery Street offers to the nation a securities market second only to the great New York market. The San Francisco Stock Exchange, with the community and its business, has grown to



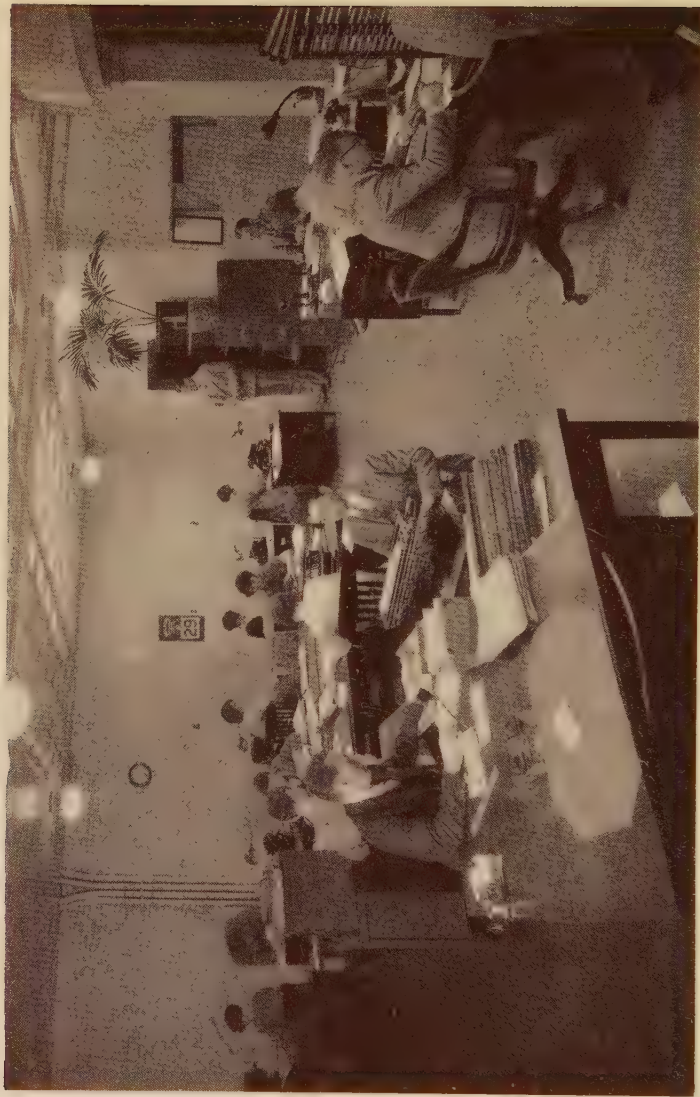
THE ORDER ROOM OF SUTRO & Co.

THE EMPIRE OF THE GOLDEN GATE

heights unequaled. San Francisco's bank clearings for the year 1927 were over ten billion dollars. Transactions of the San Francisco Stock Exchange for the year 1927 totaled over fifteen and one-half million shares for a value of over \$653,000,000. For the year 1928 all records have been broken, the total to September 1st having been over twenty-five and one-half million shares for a value of \$1,738,412,983. These last figures include the month of May, this year, which in itself broke all monthly records, the trading having totaled \$261,683,932. The community, the brokerage houses, and the office of the San Francisco Stock Exchange may be justly proud of this great record. Sutro & Co. can be doubly proud because of the position occupied by one of their partners, Sidney L. Schwartz, as president of the Stock Exchange.

In the year 1923, Mr. Schwartz was elected to the presidency of the San Francisco Stock and Bond Exchange, to which position he has been re-elected without interruption to the present time. It has been during his incumbency that the tremendous activities culminating in the present record figures have taken place.

Late in the year 1927 the San Francisco Stock



THE SECOND FLOOR OF SUTRO & CO.

THE EMPIRE OF THE GOLDEN GATE

and Bond Exchange, made up of members representing brokerage houses dealing and trading in general stocks, purchased the building of the San Francisco Stock Exchange and took its name. The San Francisco Stock Exchange as it is constituted today is the outgrowth of the old San Francisco Stock and Bond Exchange that was established in 1882. Sutro & Co. have been members since its inception.

It is also during this year that the establishment of the Curb Market took place. So rapid has been the development of the Curb Market that in the brief ten months of operation seats have risen in value from \$15,000 to \$50,000. San Francisco today is definitely established as the second securities market in the nation.

The imperative demands occasioned by the unprecedented development and expansion of the San Francisco Stock Exchange have resulted in the selection of the famous Sub-Treasury Building at the corner of Pine and Sansome streets for the housing of the Exchange floor and all other facilities of the Exchange. During this current year the Sub-Treasury Building was purchased from the United States Government for \$800,000. A total



SKYLINE OF SAN FRANCISCO FROM THE BAY

R. 64
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THE EMPIRE OF THE GOLDEN GATE

expenditure of about \$1,650,000 will be involved in adapting the property to the needs of the Exchange. It is expected that this project will be completed in the early part of the year 1929. The Sub-Treasury Building was erected by the United States Government in 1915 and its location and construction are admirably suited to the needs of San Francisco's formidable trading market.

The great record of accomplishment is but a prophecy of the future. Sutro & Co. are proud of their part in the past and of their position at present. In keeping with the progress of Montgomery Street, Sutro & Company's new offices were opened last year. The beautiful appointments of these offices are matched only by the healthful, comfortable working conditions provided for the staff of employees. The growth of the firm has kept pace with the growth of the city and the growth of the Stock Exchange. The business was founded by Charles and Gustav Sutro in 1858, and today Sutro & Co. are headed by seven partners—Charles Sutro and Emil Sutro (sons of Gustav Sutro, the founder), Sidney L. Schwartz, Gustav Sutro Schwartz, Alfred J. Rau, Frank Hargear, and Albert Bryan Sprott. Herbert Hauser is in

THE EMPIRE OF THE GOLDEN GATE

charge of the East Bay offices of Sutro & Co., having been identified with the firm for more than 31 years.

It is to the future that these men are looking. San Francisco's position in the nation today is unquestioned. The industrial, financial, and commercial future of the city is beyond estimate. The constant influx of population, the ever-building wealth of the metropolitan area, the steadily increasing list of national business institutions making their headquarters in San Francisco, along with faster transportation and communication, insure to San Francisco a sound, consistent growth; the future holds untold wealth, untold opportunity through commerce with the Orient, which, as it comes, must come through San Francisco. Every indication of the future shows that San Francisco will occupy the same position on the West Coast as that occupied by New York on the Atlantic.

The same is true of the future of the culture of San Francisco. Through all its history the city has patronized the arts and music. Its position as a center of education and culture has been unquestioned. The influence of its cosmopolitan origin has been glorified along with its great commercial

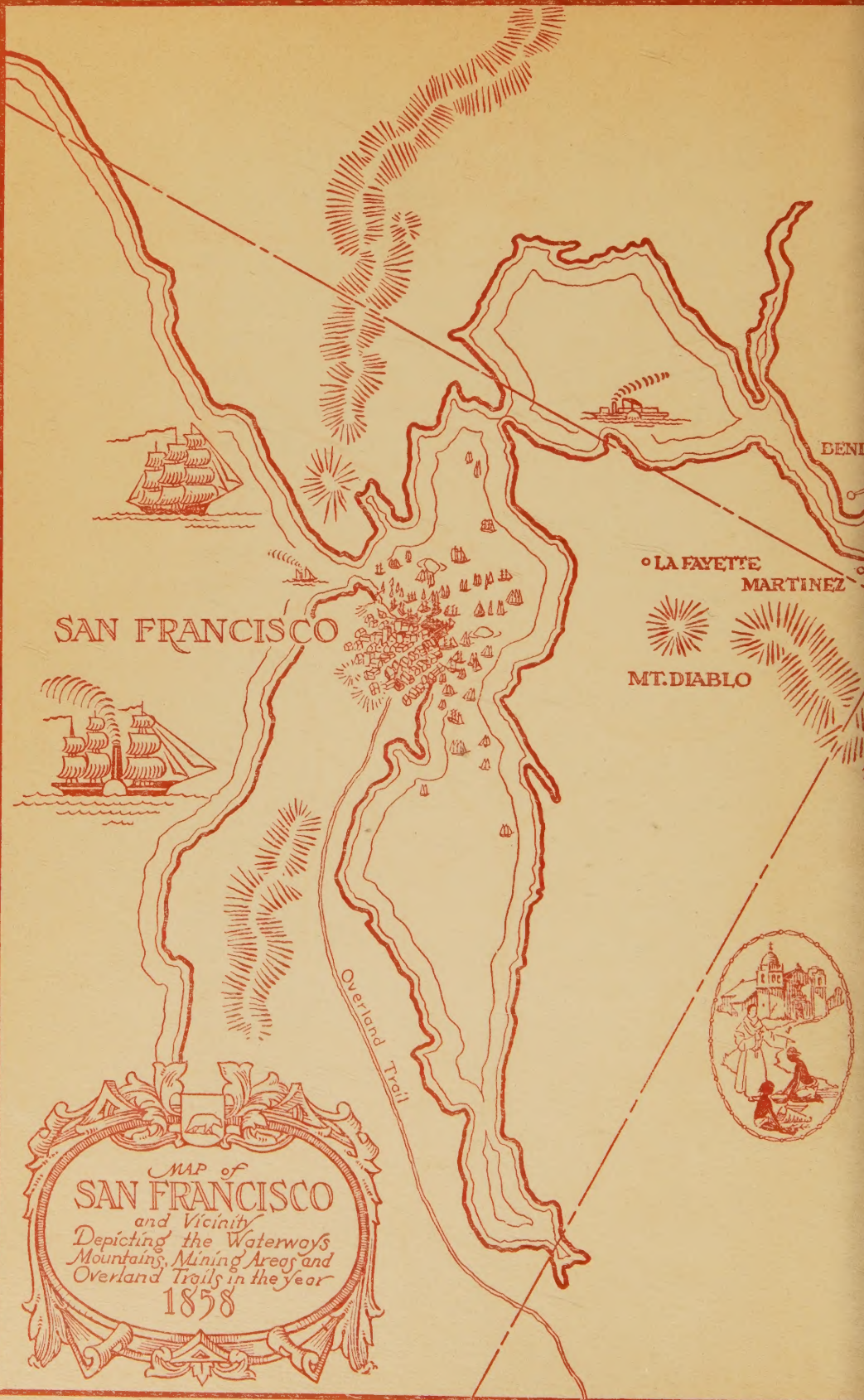
THE EMPIRE OF THE GOLDEN GATE

strides. San Francisco still has her atmosphere; still has her color; her unrivaled hospitality, and the undying love of her sons.

* * * * *

As the same setting sun bathes in its glory the hills of San Francisco now crowned with towering edifices of stone, and through its aureate rays appear the outlines of the immeasurable future, we reconcile with difficulty the splendor of this picture with another and earlier one—of the lazy, quiet, dusty, little Spanish village that once nestled idly on the shores of the bay, near those same streets, Montgomery, California, Kearny, and Jackson.

WEST



SAN FRANCISCO

LA FAYETTE
MARTINEZ

MT. DIABLO

Overland Trail

MAP of
SAN FRANCISCO

and Vicinity
Depicting the Waterways
Mountains, Mining Areas and
Overland Trails in the Year

1858

SOUTH



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